

1. INTRODUCTION & RECENT DEVELOPMENT

The New Partnership for Africa's Development (NEPAD) emerged from the *New African Initiative (NAI)*, which, in turn, was a merger of *The Millennium Partnership for the African Recovery Programme (MAP)*, developed by Presidents Thabo Mbeki of South Africa, Olusegun Obasanjo of Nigeria and Abdelaziz Bouteflika of Algeria, and the *Omega Plan* by Senegalese President Abdoulaye Wade. The fundamental objective of NEPAD is to promote sustainable development on the African continent, in a manner that embodies social, economic and environmental dimensions. In particular, the main goal is to eradicate poverty by meeting the Millennium Development Goals (MDGs).

In August, a leading international agricultural economist, Prof. Firmino G. Mucavele of Mozambique (see short biography in annex 1) was appointed Chief Executive of the NEPAD Secretariat with effect from August 2005. He takes over from Prof. Wiseman Nkuhlu who will continue to serve as a member of the NEPAD Steering Committee.

2 BACKGROUND

NEPAD is a programme of the African Union (AU), led by a Committee of Heads of State and Government (HSGIC) that reports annually to the Assembly of the AU. The NEPAD four-tier governance structure is as follows:

- **AU/OAU Summit of Heads of State**, which sets the overall policy framework.
- **Heads of State and Government Implementation Committee (HSGIC) reports to AU/OAU Summit**, which provides leadership to the NEPAD process; meets at least three times per annum to review progress and take decisions on strategic issues; and reports annually to the AU Summit.¹
- **Steering Committee**, which is responsible for developing the detailed plan of action and for overseeing the work of the NEPAD Secretariat. It meets regularly with full participation of the AU Commission.²
- **NEPAD Secretariat, temporarily based in Midrand, SA**, which is a technical organ that supports the HSGIC – it is not a decision-making entity. It is complementing the AU Commission in giving it additional technical capacity for mobilization of knowledge and financial resources, coordination and management of programme preparation and implementation as well as monitoring and reporting on progress, advocacy and outreach and fostering of partnerships.³

3. STRATEGY AND PROGRAMMES

3.1 Background: Strategy and Programmes

The NEPAD document starts with three opening sections which introduce the document, set the stage by reviewing the place of Africa in today's world, and state the new political will and resolve of African leaders in the context of the spread of democracy. It then moves rapidly to set out the strategy, to a discussion of general programmes of action, and to an implementation plan.

¹ Members of the HSGIC are: *Chairman*: Pres. Obasanjo (Nigeria), *Vice Chairmen*: Pres. Bouteflika (Algeria) and Pres. Wade (Senegal), and Presidents of South Africa, Nigeria, Algeria, Senegal, Egypt, plus Botswana, Mozambique, Ethiopia, Mauritius, Rwanda, Gabon, Sao Tome and Principe, Cameroon, Mali, Tunisia.

² Personal Representatives of Presidents Mbeki (South Africa), Obasanjo (Nigeria), Wade (Senegal), Bouteflika (Algeria), Mubarak (Egypt).

³ Prof. Wiseman Nkuhlu is leading the Secretariat

NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD)

NEPAD, envisaged as a long-term vision of an African-owned and African-led development program, outlines the conditions for sustainable development in the region. The NEPAD document outlines the structure of the African "Strategy for Achieving Sustainable Development in the 21st Century," as follows:

A. *Conditions for Sustainable Development*

- A1. Peace, Security, Democracy and Political governance
- A2. Economic and Corporate Governance – a set of concrete and time-bound programs aimed at enhancing the quality of economic and public financial management.
- A3. Sub-regional and Regional Approaches to Development

B. *Sectoral Priorities*

- B1. Infrastructure - bridging the infrastructure gap (roads, highways, airports, seaports, railways, waterways, and telecommunications facilities).
- B2. Human Resource Development - developing the region's human resources, including reversing the brain drain.
- B3. Agriculture - improving performance in agriculture and achieving food security.
- B4. Environment - protecting the environment (combating desertification, wetland conservation, coastal management, etc.).
- B5. Culture - protecting and promoting Africa's culture.
- B6. Science and Technology Platforms - ensuring connectivity and cooperation in science and technology.

C. *Mobilizing Resources*

- C1. Capital Flows - mobilizing resources (domestic resources, debt relief, ODA reforms, private capital flows, etc.)
- C2. Market Access - taking steps to ensure market access for Africa's exports (diversification of production, value-added agricultural exports, mining, manufacturing, tourism).

NEPAD proposes joint responsibility, collective action and peer processes as innovative instruments to ensure progress in these areas. It aims to serve as a focal point in efforts to establish a new partnership with industrial countries for increased overseas development assistance and foreign investment, better market access and deeper debt relief.

3.2 Progress: Strategy and Programmes

The Secretariat has been coordinating the preparation of action plans and strategies of NEPAD priority areas, while also facilitating implementation of all the NEPAD programmes including

- The Comprehensive African Agricultural Development Programme (CAADP);
- The Short Term Action Plan on Infrastructure;
- The core documents to further the African Peer Review Mechanism;
- The NEPAD Health Strategy;
- The Tourism Action Plan; and
- The NEPAD Environment Action Plan, which was developed by the United Nations Environment Programme (UNEP), under the leadership of the African Ministerial Conference on Environment (AMCEN)

Progress in some of these areas include

3.2.1 The Short-term Action Plan for Infrastructure (STAP) including energy, transport, ICT and water and sanitation: Noticeable progress has been made over the past two years in preparing projects in both the transport, energy and water sectors, particularly

NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT (NEPAD)

through the institutions like the African Development Bank, the World Bank and the Development Bank of Southern Africa which have accelerated the pace of project preparation and implementation.

3.2.2 The Comprehensive African Agricultural Development Programme (CAADP): in partnership with the FAO, the World Bank, the ADB, EU and UN Agencies, individual African countries and Regional Economic Communities are supported with the preparation of country and sub-regional projects for rehabilitation and extension of areas under irrigation, rural infrastructure and trade related capacities for improved market access, increased food supply and increased focus on agricultural research, technology dissemination and adoption. Project preparation is proceeding in a number of sub-regions and is receiving support from multilateral institutions and development partners.

3.2.3 Other programmes and activities: Currently, the Secretariat is coordinating and managing the preparation of the Medium to Long Term Plan for Regional Infrastructure Development, Updating an Education Programme; and a Science and Technology Development Plan. Work is in progress on updating programmes for mining, manufacturing, debt relief, market access and intra-Africa trade.

3.2.4 The African Peer Review Mechanism, which has reached implementation stage, and the first comprehensive reviews by members of the APRM Panel commenced with mechanism support missions being sent to Ghana in May 2004, Rwanda and Mauritius in June 2004 and Kenya in July 2004. A separate secretariat has been established for the Mechanism and a trust fund to finance the activities of the panel, the secretariat and the country-review teams.

3.2.5 Mobilisation of the private sector, which is responding to NEPAD in a variety of ways. E.g. business partnerships are delivering tangible results, such as in the cases of the East African fibre-optic cable project, the Okavango Upper Zambezi International Tourism SDI and the International Pharmaceutical Technology Transfer Initiative. The private sector, often supported by the donor community, has established a number of investment funds for targeting NEPAD related investments such as the Africa Energy Fund and the Emerging Africa Infrastructure Fund. SA private companies and parastatals, e.g. SASOL, IDC, VODACOM, Sun International, ESKOM and Pretoria Portland Cement, are playing a catalytic role in making and facilitating major investments into Africa. Internationally, a USA private sector driven initiative – Commission on Capital Flows – recommended to the US Government the extension of AGOA to 2018, tax-free repatriation of earnings on new investments by US companies in Africa for 10 years, and removal of restrictions on support for investments in Africa by OPIC (Overseas Private Investment Corporation)

3.2.6 Mobilization of the international community, where progress includes the establishment of the Africa Partnership Forum, which commits both the developed and African countries to regular dialogue and mutual review. The United Kingdom furthermore set up the Commission for Africa in February 2004, which seeks to generate increased support for the Group of Eight (G-8) Africa Action Plan and NEPAD. The Millennium Challenge Corporation, established by the United States Government, invited eight African countries to submit proposals for aid from the Millennium Challenge Account.

4 NEPAD AND THE WORLD BANK GROUP

The Bank's support to NEPAD is also in line with its decision to deepen its focus on regional integration in Africa. The Bank's assistance can be broadly grouped into two main parts; technical assistance/strategic support, and lending to specific projects.

4.1 Technical Assistance/strategic support:

Along with other development partners, the Bank provides technical inputs to the development of programs and assist Regional Economic Communities (RECs) and the NEPAD Secretariat in the preparation of projects. It also provides advisory services (particularly in the area of trade and policy harmonization in different sectors) and helps in strengthening the capacity of regional institutions (ECOWAS, SADC, UEMOA, CEMAC). The Bank has also provided some Institutional Development Fund Grants (IDF) to support NEPAD Secretariat activities including (i) a grant in 2004 in the amount of US\$348,000, to finance Public Expenditure Tracking in Agriculture, (ii) a grant in 2003 US\$ 500,000, to finance the "Strengthening implementation of NEPAD Agenda in West Africa", a US\$300,000 grant in 2003 to support the implementation of NEPAD environmental action plan. The Bank has been working with the Nepad Secretariat in launching TerrAfrica – a large partnership on land sustainable management in Africa.

The Bank is in the process of identifying an IDF Grant for support to NEPAD Secretariat Strategic Communication unit following the meeting between M. Wolfowitz and President Mbeki of South Africa.

Senior Bank management regularly participates in major strategic meetings aimed at raising interest for NEPAD and mobilizing resources to finance the NEPAD agenda (G8 Summit, NEPAD Forum in Paris in November 2003 and in Maputo in April 2004, NEPAD Multi-stakeholders Dialogue in October 2004 in South Africa, G20 Ministerial Meeting in November 2004).

4.2 Lending

Most of the Bank's assistance to support NEPAD implementation has focused on infrastructure projects. The Bank has already approved 11 regional operations over the last four years, (three in the financial sector, one for trade facilitation, three on HIV/AIDS, three in the power sector) for an amount totaling US\$555 million in IDA credits (of which US\$73 million have been disbursed, including US\$8,0 million disbursed in FY05), US\$142.0 million of MIGA guarantee coverage, IBRD Partial Risk Guarantee of US\$30.0 million, IDA Partial Risk Guarantee of US\$50 million and IFC Equity Investment of US\$10.0 million (to promote private sector participation in regional infrastructure). Several other operations for the equivalent of approximately US\$650.0 million (to be delivered in FY06) are being prepared in power sector, in trade and transport area, in agriculture sector, in river basins management and development, in capacity development for Regional Economic Groupings, and in HIV/AIDS sector.

Prof. Firmino G. Mucavele : CEO of NEPAD

In his distinguished career Professor Mucavele was invited in 2000 by the United Nations to integrate a team of experts to map out a development program for a rapid transfer of technologies to the developing countries. This served as basis for the third conference on science and technology for the development of Least Developed Countries organised by the United Nations.

In February of 2001, he was invited to integrate the Steering Committee of African Economists to develop the Millennium Africa Recovery Program (MAP).

This programme was approved by the Heads of African States in Lusaka, Zambia in July 2001 and became the New African Initiative. On 23 October, 2001, in Abuja Nigeria, it was designated the New Partnership for Africa's Development (NEPAD).

In 1995 Professor Mucavele was one of the three consultants involved in the evaluation of the food, agriculture and natural resources sector coordinating units of the Southern African Development Community (SADC). As an agricultural economist he was involved in the evaluation of agriculture and trade programs, rural development financing and training in food security and nutrition programs.

He has served as consultant for the USAID, OXFAM Belgica, World Bank and PricewaterhouseCoopers in missions of food security analysis, environmental economic analysis, agricultural markets liberalisation in Mozambique and rural development.

Professor Mucavele, who has authored a large number of publications in his field, holds a PhD in food and resource economics from the University of Florida.

He is a member of the International Association of Agricultural Economists and a number of other professional associations and also serves as a Special Advisor to the President of Mozambique.

Professor Mucavele, who has served as a member of the NEPAD Steering Committee, will be assisted by two Deputy Chief Executives, Dr Hespina Rukato, who has been the NEPAD Environment and Tourism Advisor since 2002, and Ambassador Stephen Olukorede Willoughby.